

HOUSE BILL 1893
By Armstrong

AN ACT to amend Tennessee Code Annotated, Section 67-2-119, relative to distribution of the Hall Income Tax to municipalities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-2-119(a), is amended by deleting the words and punctuation "shall be distributed to the cities and counties of the state." and by substituting instead the following:

shall be distributed to any municipality that meets the following requirements:

(1) The municipality levies and provides for the administration and collection of a property tax that raises an amount of revenue not less than the amount of the annual revenues derived by the municipality from state-shared taxes, as estimated by the department of revenue on or before July 1; and

(2) The municipality provides the services listed in § 6-51-102(b)(2) to the residents of such municipality, unless such services are being provided to such residents by another public agency or private company.

SECTION 2. Tennessee Code Annotated, Section 67-2-119, is amended by deleting subdivision (b) in its entirety and by substituting instead the following:

(b) Funds paid to municipalities pursuant to subsection (a) shall be distributed to eligible municipalities within the state, to be used by them for general purposes, in proportion as the population of each eligible municipality bears to the aggregate population of all eligible municipalities according to the 2000 federal census or any subsequent federal census; provided, that in the case of any area annexed to an eligible municipality subsequent to the latest federal decennial census the municipality may have

a special census within the annexed area taken by the federal bureau of the census, in which case the population of the municipality shall be revised and increased in accordance with the special census for purposes of distributing such funds, effective on the next July 1, following the certification of the census results to the commissioner of finance and administration; and provided further, that the aggregate population of all eligible municipalities used as a base for calculating such distribution shall be adjusted in accordance with any such special census, effective the same date as aforementioned. Any eligible municipality incorporated after the last federal decennial census may likewise have a special census taken and shall share in the distribution of funds under subsection (a) beginning on the next July 1 following certification of the census results to the commissioner; the aggregate population shall likewise be adjusted in accordance with any such special census, effective the same date as aforementioned.

SECTION 3. Tennessee Code Annotated, Section 67-2-119, is further amended by deleting subsection (c) in its entirety.

SECTION 4. Tennessee Code Annotated, Section 67-2-119(d), is amended by deleting the language "and counties".

SECTION 5. Tennessee Code Annotated, Section 67-2-119, is amended by deleting subsection (e) in its entirety.

SECTION 6. This act shall take effect July 1, 2005, the public welfare requiring it.